

Program(s) Affected: Supplemental Nutrition Assistance Program (SNAP)

Title of Rule: Trafficking Controls and Fraud Investigations

Stage of Rulemaking: Workplan submitted for approval

Is the Rule Currently Open for Public Comment? No

Rule Summary:

This proposed rule will:

- Expand the definition of “trafficking” to include the intent to sell SNAP benefits in cases where an individual makes the offer to sell their benefits and/or Electronic Benefit Transfer (EBT) card online or in public.
- Allow States to require client cooperation in investigations when a client has requested multiple EBT card replacements during a specified period of time, indicating possible trafficking activity.

FNS believes that this action will improve the integrity of SNAP by allowing States the authority to require clients to cooperate with certain fraud investigations. Currently, there are no regulations that require client’s to speak with the State agency when circumstances in their case appear suspicious, such as requesting multiple benefit card replacements. Such investigations will help the State to determine if multiple card replacements are indicating fraud in the case. This action will also allow States to identify and assist clients who do not understand how to use their benefit cards or need assistance managing the EBT card.

In addition, this proposed rule will expand the definition of trafficking to include the intent to sell benefits and/or EBT cards. States will have the ability to then pursue program disqualification for individuals who attempt to sell their cards or benefits, through either an administrative and/or prosecutorial process. This includes those who offer to sell their benefits through web sites such as Craig’s List, as well as in person, such as outside of grocery stores, etc.